

**Esperance Minerals Limited
ACN 009 815 605**

**Notice of Annual General Meeting
to be held on Wednesday, 30 November 2016**

**Explanatory Memorandum
for the Notice of Annual General Meeting**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE,
PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT
OR OTHER PROFESSIONAL ADVISER.**

**NOTICE OF THE ANNUAL GENERAL MEETING TO BE HELD
AT THE OFFICES OF HWL EBSWORTH LAWYERS, LEVEL 14 AUSTRALIA SQUARE 264-
278 GEORGE STREET SYDNEY NSW 2000
AT 11:00AM SYDNEY TIME ON WEDNESDAY, 30 NOVEMBER 2016**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING MUST
BE COMPLETED AND RETURNED TO THE SHARE REGISTRY NO LATER THAN
11:00AM SYDNEY TIME ON MONDAY, 28 NOVEMBER 2016**

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Section A Glossary

1. Definitions

The following definitions are used in the Notice of Annual General Meeting and the Explanatory Memorandum:

Annual General Meeting	means the Annual General Meeting of the Company to be held on 30 November 2016 pursuant to the Notice of Annual General Meeting.
ASIC	means the Australian Securities & Investments Commission.
Associate	has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange market operated by ASX Limited, as the context requires.
ASX Listing Rules	means the official listing rules issued and enforced by the ASX as amended from time to time.
Board	means the board of Directors of the Company.
Business Day	means a day which is not a Saturday, Sunday or public holiday in Sydney.
Company or ESM	means Esperance Minerals Limited ACN 009 815 605.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Equity Securities	has the meaning given to that term in ASX Listing Rule 19.12.
Explanatory	means the explanatory memorandum set out in Section C of this

Memorandum	document.
Notice of Annual General Meeting or Notice	means the notice of Annual General Meeting set out in Section B of this document.
Official Quotation and Officially Quoted	means officially quoted on the ASX.
Resolution	means a resolution passed by the requisite majority of members of the Company on a show of hands or by the requisite majority of votes given on a poll.
Share	means one fully paid ordinary share in the issued capital of the Company, and Shares means any two or more of them.
Shareholder	means a holder of a Share.
Trading Day	has the meaning given to that term in ASX Listing Rule 19.12.

2. Interpretation

For the purposes of interpreting the Explanatory Memorandum and the Notice of Annual General Meeting:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include both genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice of Annual General Meeting;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and

- (f) reference to **\$, AUD, Australian Dollars** or **dollars** is a reference to the lawful currency of the Commonwealth of Australia.

Section B Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Esperance Minerals Limited ACN 009 815 605 (**ESM** or the **Company**) will be held at the offices of HWL Ebsworth Lawyers, Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000 on Wednesday, 30 November 2016 at 11:00am (Sydney time).

Defined terms used in this Notice of Annual General Meeting have the meanings given to them in the Glossary accompanying this Notice of Annual General Meeting.

1. Ordinary business

1.1 Annual Report

To table and consider the Annual Report of the Company which includes the Financial Report, Directors' Report and Auditor's Report for the period ended 30 June 2016.

Note: The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2016 will be laid before the meeting. There is no requirement for Shareholders to approve those reports. Shareholders will be given an opportunity to raise questions of the Directors and the Company's auditor on the Financial Report and Auditor's Report at the Annual General Meeting.

1.2 Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following Resolution as an **advisory only resolution**:

"That, the Remuneration Report for the year ended 30 June 2016 which is attached to the Financial Report as required under section 300A of the Corporations Act 2001 (Cth), be adopted by the Company."

Note: The Remuneration Report is set out in the Directors' Report, specifically on pages 15-17 of the Annual Report. In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Company.

1.3 Resolution 2: Election of Mr Alan Beasley as Director

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That Mr Alan Beasley, a director appointed to fill a casual vacancy on 15 July 2016 and being eligible for election, be elected as a Director of the Company."

1.4 **Resolution 3: Election of Mr John Rawicki as Director**

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That Mr John Rawicki, a director appointed to fill a casual vacancy on 14 March 2016 and being eligible for election, be elected as a Director of the Company."

2. Voting exclusion statements

2.1 **Resolution 1**

The Corporations Act prohibits any votes being cast on Resolution 1 by or on behalf of a person who is disclosed in the Remuneration Report as a member of the key management personnel of the Company (including the Directors and the Chairman) or a closely related party of that key management personnel. However, such a person may cast a vote on Resolution 1 as a proxy for a person who is permitted to vote and the appointment of the proxy specifies the way the proxy is to vote on the resolution.

3. Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 5:00pm Sydney time on 28 November 2016.

4. Votes of members

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting who is entitled to vote shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) who is entitled to vote shall have one vote for each Share held by him, her or it.

5. Proxies

Please note that:

- (a) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Annual General Meeting;

- (b) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. Where there is more than one proxy appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes.
- (c) if a Shareholder appoints two proxies, neither person may vote on a show of hands;
- (d) and on a poll, each person may only exercise the voting rights for the portion of votes the person holds;
- (e) a proxy may be a Shareholder;
- (f) a proxy need not be a Shareholder;
- (g) a proxy form may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where a proxy form so provides, the proxy is not entitled to vote on the Resolution except as specified in the proxy form;
- (h) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the member gives a direction to the contrary;
- (i) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (j) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (k) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 11:00am (Sydney time) on Monday, 28 November 2016:

by the Share Registry:

- in person: Security Transfer Australia Pty Ltd
Suite 511, The Trust Building
155 King Street
Sydney NSW 2000 AUSTRALIA
- or - by mail: Security Transfer Australia Pty Ltd
PO BOX A2020
South Sydney NSW 1235
- or - by facsimile: +61 8 9315 2233

By order of the Board:

A handwritten signature in black ink, appearing to read "Barney Cheung". The signature is written in a cursive, flowing style.

Barney Cheung
Company Secretary

Dated: 28 October 2016
Sydney

Section C Explanatory Memorandum

1. Introduction

This Explanatory Memorandum contains the information needed for the Shareholders to assess the Resolutions to be put to them at the Annual General Meeting of ESM on 30 November 2016. A Notice of Annual General Meeting accompanies this Explanatory Memorandum.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting, should be read carefully and in their entirety.

2. Annual Report

The Annual Report of the Company for the year ended 30 June 2016 will be laid before the meeting.

There is no requirement for Shareholders to approve the Annual Report. Shareholders will be given an opportunity to:

- (a) raise questions to the Directors or make comment on the management of the Company; and
- (b) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

3. Resolution 1 – Adoption of Remuneration Report

Resolution 1 is proposed for the adoption of the Remuneration Report contained in the Directors' Report referred to in the first item of the agenda set out in the Notice. Under the Corporations Act, the Company is required to present its Remuneration Report to Shareholders for adoption at its Annual General Meeting. The Remuneration Report of the Company for the financial year ended 30 June 2016 is set out in the Directors' Report, specifically on pages 15-17 of the Annual Report.

The Annual Report may be accessed on the ASX company announcements platform using the ASX code: ESM. Shareholders will be given a reasonable opportunity to raise questions of the Directors and make comments on the Remuneration Report prior to the Resolution being put to Shareholders. The Resolution to adopt the Remuneration Report is a non-binding Resolution on the Company and its Directors.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, Shareholders will then vote to determine whether the Directors will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

4. Resolutions 2 to 3 – Election of Directors

In accordance with clause 6.1(d) of the Constitution, the Directors may appoint any natural person to be a Director to fill a casual vacancy and such Director (other than the managing director) must retire at the next general meeting of the Company following his or her appointment (clause 6.1(e) of the Constitution).

In accordance with clause 6.1(e) of the Constitution, Mr Alan Beasley and Mr John Rawicki will retire and seek election at the Annual General Meeting.

A brief summary of the qualifications and experience of Mr Alan Beasley and Mr John Rawicki is set out below:

Alan Beasley, Chairman - B.Econ, CPA, FGIA, FAICD

Mr Beasley has worked in the Investment Banking and Investment Management industries for over 30 years, with Bankers Trust Australia, Goldman Sachs, BNP Paribas. Alan is a director and former director of several listed and unlisted public and private companies including two public charities. He is currently Managing Director of Hudson Investment Group Ltd (ASX: HGL), Hudson Pacific Group Ltd and AB Capital. He is a former Non-Executive Chairman of Admiralty Resources NL (ASX: ADY), Non-Executive Director of Asia Pacific Capital Securities Pty Ltd, and Biometric Advisers Pty Ltd.

John Rawicki, Executive Director - B.Com (Finance & Econ.)

John Rawicki has 10 years of stockbroking and corporate finance experience across the healthcare, resources and technology sectors. John is also the Managing Director of BlueSky Shareholder Services, which provides investor relations and corporate advisory services to listed companies. John holds a Bachelor of Commerce from the University of Sydney. He was previously a director of the Company in 2015.

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ESPERANCE MINERALS LIMITED

ACN: 009 815 605

REGISTERED OFFICE:
LEVEL 7
99 MACQUARIE STREET
SYDNEY NSW 2000

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX A2020
South Sydney NSW 1235
Suite 511, The Trust Building
155 King Street
Sydney NSW 2000
T: +61 3 9628 2200 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au
1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am (Sydney time) on Wednesday 30 November 2016 at HWL Ebsworth Lawyers, Level 14 Australia Square, 264-278 George Street, Sydney NSW 2000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies **in FAVOUR** of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

- Adoption of Remuneration Report
- Election of Mr Alan Beasley as Director
- Election of Mr John Rawicki as Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am (Sydney time) on Monday 28 November 2016.

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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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)

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX A2020 South Sydney NSW 1235
Street Address	Suite 511, The Trust Building 155 King Street Sydney NSW 2000
Telephone	+61 3 9628 2200
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

